

## **Terms and Conditions of MINERVA BOSKOVICE, a.s.**

a company with their registered office at Sokolská 1318/60, 680 01 Boskovice, ID No. 00010944, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Entry 210

These Terms and Conditions regulate, within the meaning of Section 1751 of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "Civil Code"), the basic conditions under which MINERVA BOSKOVICE, a.s. (hereinafter referred to as the "Seller") and the buyer (hereinafter referred to as the "Buyer", both parties hereinafter collectively referred to as the "Contracting Parties") enter into specific purchase contracts pursuant to Section 2079 et seq. of the Civil Code, under which the Seller undertakes to deliver to the Buyer chattels as the subject of purchase (hereinafter referred to as the "Goods") and allow the Buyer to acquire the right of ownership in them, and the Buyer undertakes to accept the Goods and pay the Seller the purchase price for the Goods (hereinafter referred to as the "Purchase Contract").

If a formed Purchase Contract contains any derogations from these Terms and Conditions, the conditions under the Purchase Contract shall take precedence over those of the Terms and Conditions.

All deliveries by the Seller shall be governed exclusively by the following terms and conditions:

### I. OFFER AND ACCEPTANCE/WRITTEN FORM

1. The Buyer must place their order for Goods or their offer to enter into a Purchase Contract (hereinafter referred to as "Order") in writing and in such a way as to make clear in its text the offeror's intention to form and be bound by the resulting Purchase Contract if the offer is accepted by the Seller. A Purchase Contract shall be deemed to have been formed on the basis of the Buyer's Order once the Seller confirms acceptance of the Buyer's written Order in writing.

2. Each Buyer's Order must contain at least the following essentials: identification of the Seller and the Buyer, namely their corporate names/names and surnames, registered office/place of business and ID number; exact specification of the Goods; and quantity of the Goods. An Order that fails to include any of the essentials specified in this provision is not binding. As provided for under Section 1726 of the Civil Code, second sentence, the Seller hereby shows that no Purchase Contract is formed unless the Order includes the essentials listed above.

3. Any over-the-phone or other oral arrangements regarding the content of a Purchase Contract shall only become binding after they are confirmed in writing by both Contracting Parties. Any Purchase Contract, amendment thereto, ancillary arrangement and actions with regard to a Purchase Contract require to be made in writing.

4. If, in an Order, the Buyer refers to terms and conditions that are inconsistent with these Terms and Conditions, no Purchase Contract is formed. The Contracting Parties therefore explicitly exclude the application of Section 1740(3) and Section 1751(2) of the Civil Code. The derogating terms do not become incorporated into the Purchase Contract by Order acceptance or implied into it through any other action.

5. Unless otherwise agreed between the Contracting Parties in writing, the formed Purchase Contract replaces and supersedes any and all oral and written agreements between the Contracting Parties that preceded the formation of the Purchase Contract and related to the Goods.

6. Purchase Contracts formed between the Seller and the Buyer shall be governed by these Terms and Conditions. The Buyer accepts these Terms and Conditions by concluding a Purchase Contract, of which the Terms and Conditions are an integral part.

7. If the Buyer fails to comply with any of their duties under the Purchase Contract, the Seller may withdraw from the Purchase Contract and sell the Goods requested by the Buyer to another interested party.

## II. PURCHASE PRICE/PROCESSING FEE

1. The Goods shall be delivered to the Buyer as agreed under the Seller's accepted offer and for the price agreed between the Contracting Parties at the time of delivery of the Seller's offer to the Buyer, unless the Contracting Parties agree otherwise in writing.

2. The Seller has the right to charge an additional Order processing fee if the requested quantity of the Goods is below the minimum ordering quantity or value thresholds as specified in the Seller's relevant price list.

3. The Purchase Price does not include the applicable value added tax or other applicable taxes or related services, unless stipulated otherwise in writing. The Purchase Price does not include any shipping or insurance costs.

4. No Purchase Contract has been formed unless the Contracting Parties have agreed on the Purchase Price.

## III. DELIVERY

1. The relevant time for delivery is the term of delivery of the Goods by the Seller to the Buyer specified in the Purchase Contract. The Seller shall be deemed to have complied with their duty vis-a-vis the Buyer once they relinquish the Goods to the Buyer at the Seller's site provided that the Goods are duly marked as the Buyer's Goods and the Seller has duly informed the Buyer thereof in writing.

2. The delivery term agreed by the Contracting Parties under the Purchase Contract commences on the day the Purchase Contract is signed unless agreed otherwise in the Purchase Contract. The above shall not apply if the Contracting Parties have not agreed on all technical and business terms concerning the delivery or if the Buyer has not been provided with the documents specified in the Purchase Contract. In such a case, the delivery term shall only commence on the day following written agreement of the Contracting Parties on all the missing terms, or once the Buyer delivers the missing documents to the Seller.

3. If the Contracting Parties agree on advance payments under the Purchase Contract, the Seller is entitled to unilaterally change the delivery term depending on whether or not the Buyer has complied with the advance payment duty.

4. In the event of unforeseeable and unavoidable events in the Seller's operations or other unforeseeable obstacles (*force majeure*) or other disruptions in the Seller's or the Seller's suppliers' business, including delayed deliveries by the Seller's suppliers, the Seller shall be entitled to extend the delivery term by a period equal to the duration of such force majeure events. The Seller shall inform the Buyer in writing as soon as possible about the start and the end of such events. If a *force majeure* event occurs, the Seller may withdraw from the Contract without being obliged to compensate the Buyer. The Buyer may request the Seller to state whether the latter withdraws from the Purchase Contract on account of a *force majeure*

event or whether they are ready to deliver on the Contract within a reasonable additional time limit. If the Seller does not respond in any way, the Buyer may withdraw from the Purchase Contract.

5. If the Seller is in default and the Buyer incurs damage as a result, the Buyer may claim contractual default interest. The default interest rate will be half a percent (0.5 %) of the value of that part of the total delivery that could not be used due to the default per completed week, and in any event not more than five percent (5 %) of that value. The Buyer may withdraw from the Purchase Contract as specified under applicable law only if the Seller is responsible for the delay in delivery.

6. To the extent that the Seller and the Buyer have agreed that certain deliveries will be made during a specified period (hereinafter referred to as the "agreed period") and that the Buyer has the right to set a specific delivery date, the Buyer must notify the Seller of the required delivery date at least twelve (12) weeks in advance. If the Buyer does not notify the Seller of the delivery date in contravention of the previous sentence, the Seller may charge the Buyer, after the lapse of the agreed period, for the volume of the Goods in respect of which the required delivery date was not notified in contradiction of the Contract and deliver the Goods to the Buyer as agreed.

7. Partial supplies or deliveries before the delivery date are admissible.

#### IV. PACKAGING/TRANSPORT

1. Delivery of the Goods shall be subject to the EXW delivery term (as per the latest release of the Incoterms), from the Seller's plant. The packaging method and material are left at the Seller's discretion.

2. Pallets, containers and other reusable packaging shall remain the property of the Seller and the Buyer is required to return them to the Seller without undue delay and at their own expense.

3. Disposable packaging of the Goods is covered by the Purchase Price and the Seller will not take it back from the Buyer.

#### V. PAYMENT

1. The Buyer undertakes to pay the Seller the purchase price for the delivered Goods against invoices to be issued by the Seller in accordance with the Purchase Contract. The invoice shall contain all essentials of a fiscal receipt in accordance with Act No. 235/2004 Coll., on value added tax, as amended.

2. Payment must be made in the amount stated in the Seller's invoice within the indicated payment term.

3. The Buyer shall be deemed to have paid the purchase price once the full amount is credited to the bank account of the Seller.

4. The Buyer is late with the payment once the payment term of the invoice expires unless the payment has not taken place due to a circumstance beyond the Buyer's control.

5. The Buyer may not unilaterally set off the payment of the purchase price or part thereof against their monetary claims from the Seller.

6. If the Buyer is late with the payment of the purchase price, the Seller has the right to suspend all outstanding deliveries to the Buyer under the Purchase Contracts formed with the Buyer. Such conduct of the Seller shall not be construed as a breach of the Purchase Contracts or withdrawal from the Contracts by the Seller.

7. If the Buyer is late discharging any of their payment duties, the Seller may withdraw from the relevant Purchase Contract concerned or from all Purchase Contracts formed with the Buyer on which no performance has yet been provided.

#### VI. RETENTION OF TITLE

1. The Contracting Parties have agreed on retention of title within the meaning of Section 2132 of the Civil Code. The Buyer will only acquire the ownership title in the Goods upon full payment of the purchase price for the Goods, including VAT, any exchange rate balances and late payment interest if the Buyer is late paying the purchase price or honouring other financial duties under these Terms and Conditions, which form an integral part of the Purchase Contract.

2. If the Buyer is more than one month late discharging the aforementioned financial duties compared to the due date, the Seller has the right to request, in writing, that the Buyer not use the Goods in any way until the full price or late payment interest is fully paid.

3. Until the purchase price is paid in full, the Buyer is prohibited from alienating the Goods in any way or disposing of them in such a way as to make it impossible for the Seller to take them back if the purchase price is not paid in full. The Buyer is required to store the Goods properly and take out an adequate insurance policy for them at the Buyer's own expense covering damage or destruction of the Goods. The Seller may enter the business premises of the Buyer in order to take back any Goods unpaid for and held held by the Buyer. Collection of any unpaid Goods shall not be construed as withdrawal from the Purchase Contract unless expressly stated otherwise by the the Seller.

#### VII. GOODS QUALITY WARRANTY

1. By providing the Goods quality warranty (hereinafter referred to as the "Quality Warranty"), the Seller represents to the Seller that the Goods will be fit for use for the usual purpose or will retain the usual properties during the period set out below.

2. The Seller provides a 24-month Quality Warranty in relation to heads of the sewing machines, commencing on the date of delivery of the Goods to the Buyer. The Seller does not provide the Buyer with any warranties as to the material supplied to them by the Buyer for the production of the Goods. See the Warranty Certificate for detailed conditions of the Quality Warranty.

3. The Buyer shall not have any rights under the Quality Warranty if they do not report the defect in writing to the Seller without undue delay after becoming aware thereof; any defects detectable during an examination of the Goods must be reported within 3 business days of receipt of the Goods.

4. In the written defect report, the Buyer shall specify the defect in the Goods, i.e., indicate what the defect is and how it manifests itself, and send the defect report to the Seller by registered letter or e-mail.

5. If the Seller's examination of the Goods returned by the Buyer suggests that the Buyer has any rights under the Quality Warranty, then, as per the agreement with the Buyer, the Seller shall, at their own expense, either repair or replace the returned defective Goods or provide the Buyer with a reasonable discount on the purchase price. If the complaint is justified, the Seller shall bear the necessary costs the Buyer has incurred when sending the defective Goods back, including any costs of assembly and disassembly.

6. The Quality Warranty is without prejudice to the Buyer's statutory defect liability claims as per the relevant provisions of the Civil Code.

7. The Buyer may not withhold payment for the delivered Goods on account of a complaint.

8. The Seller shall not be liable for any defects and damage:

- attributable to the failure to respect the installation and use instructions indicated in the installation or use manual; installation or servicing of the Goods or any parts thereof unless the same has been completed by persons authorised or otherwise designated by the Seller;
- arising as a result of any inaccuracies or incompleteness in the Buyer-provided specifications or technical drawings, or as a result of any inaccuracies or incompleteness in the Buyer's requirements for the Goods; the Seller shall also not be liable for any infringements of third party intellectual property rights in the context of deliveries of Goods based on the Buyer's specifications and technical drawings or the Buyer's requirements;
- resulting from the already installed Goods being modified or extended in any way by third parties (such interventions may only be carried out by persons authorised or otherwise designated by the Seller);
- caused by improper handling, overloading, improper storage or maintenance of the Goods;
- Triggered by specific spare parts of the Goods that have not been provided by the Seller (or a person authorised or otherwise designated by the Seller) or due to modifications, conversions or the Seller;
- as a result of an event excluding liability, including, without limitation to, natural disasters or any other event beyond the Seller's control for which the Seller is not liable;
- as a result of using the Goods in contravention of the purpose the Goods are intended to serve, due to mechanical damage or the action of inappropriate chemicals.

9. Defects caused by regular wear and tear, insufficient maintenance, non-compliance with operating instructions, excessive loads, unsuitable equipment and action of chemical or electrolytic agents are also excluded from the Quality Warranty.

10. The Quality Warranty expires if the Buyer or a third party has carried out any servicing or alterations to the Goods without the prior written consent of the Seller. In addition, if the Buyer fails to take immediate action necessary to prevent an increase in the extent of the damage and to allow the Seller to eliminate the defects without any unnecessary cost.

#### VIII. USE OF SOFTWARE/INTELLECTUAL PROPERTY RIGHTS

1. To the extent that software is part of the supply, the Seller hereby grants the Buyer a non-transferable licence, limited to the definite period set out under the specific contract, to use the software and its accompanying documentation in connection with the delivered Goods. The software may not be used in conjunction with more than one delivered item. Sublicensing is not permitted. The Buyer may not remove information on the manufacturer or make any other modifications without the prior written consent of the Seller. The Seller reserves all other rights to the software and accompanying documentation.

2. The Seller is the holder of all intellectual property rights (especially industrial rights and copyrights in any cost budgets, drawings and other documents) which they have or might have in the Goods or documents relating to the Goods, or which may arise in the future. This also applies to the rights the Seller acquires during the performance under the Purchase Contract. The documents to which the above Seller's rights apply may not be used by the Buyer for any other purpose, unrelated to the concluded Purchase Contract,

and may not be made available to third parties. At the same time, the Buyer acknowledges that the Goods include technical designs the Seller has also developed for their other contractual partners, and therefore the specific elements of the Goods may appear separately or in combinations also in third party products.

#### IX. CONFIDENTIALITY

1. Either Contracting Party's confidential information denotes business, financial and technical information communicated to or obtained by the other Contracting Party as part of an order prior to the formation of a Purchase Contract or during the performance of a Purchase Contract, whether orally, in writing, electronically or by any other channel(hereinafter referred to as "Confidential Information").

2. The notion of Confidential Information does not extend to:

- information that becomes part of public domain other than by a culpable breach of the receiving Contracting Party,
- information already known to, or developed independently by, the receiving Contracting Party without using the Confidential Information; and
- information obtained from a third party provided that the third party did not itself breach the confidentiality duty owed to the disclosing Contracting Party.

3. Each Contracting Party shall keep all Confidential Information obtained from the other Contracting Party in strict confidentiality and refrain from disclosing it to any third party without the prior written consent of the other Contracting Party or using the Confidential Information for their own purposes.

4. The Contracting Parties undertake to ensure that their employees and subcontractors comply with the confidentiality duty in relation to the Confidential Information.

5. These provisions on confidentiality shall survive the termination of the Purchase Contract.

6. Each Contracting Party shall retain ownership and all rights in all documents or other media made available to the other Contracting Party. Such documents or other media may be reproduced, replicated or transferred to third parties only with the consent of the disclosing Contracting Party.

#### X. OTHER ARRANGEMENTS

1. The place of delivery for the supplies to be provided by the Seller under the Purchase Contract is the Seller's dispatch point at Sokolská 1318/60, 680 01 Boskovice.

2. The provisions of these Terms and Conditions and the Purchase Contract shall be governed by and construed in accordance with Czech law, in particular the Civil Code. The application of Czech conflict-of-law rules and the Convention on the International Sale of Goods (CISG) is hereby expressly excluded.

3. Pursuant to Section 89a of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended, the Buyer agrees that the court with territorial jurisdiction to resolve any disputes and other legal matters arising out of this legal relationship and related relationships, is the Regional Court in Brno where a regional court is identified as having substantial jurisdiction over the matter concerned, or the District Court in Blansko where a district court is identified as having substantial jurisdiction over the matter concerned.

4. The invalidity of a specific provision hereunder shall be without prejudice to the validity of the Terms and Conditions as a whole. The invalid provision

shall be replaced with a new provision agreed in writing and corresponding to the meaning and purpose of the formed contractual relationship.

5. The Buyer may not transfer the rights and duties arising from a Purchase Contract formed with the Seller to third parties without the prior written consent of the Seller.

#### XI. FINAL ARRANGEMENTS

1. These Terms and Conditions are part of the Purchase Contract and they come into force, vis-a-vis the Contracting Parties, on the day of formation of the Purchase Contract and/or acceptance of the Order. The Terms and Conditions do not need to be separately signed by the Contracting Parties; the Buyer should have an opportunity to review them before forming the Purchase Contract.

2. For the avoidance of doubt, the Contracting Parties expressly confirm they are entrepreneurs who enter into the Purchase Contract as part of their business activity and, accordingly, the provisions under Section 1793 of the Civil Code (gross disparity) and Section 1796 of the Civil Code (usury) will not apply to the Purchase Contract formed between them.

3. The Contracting Parties exclude the application of the following provisions of the Civil Code to the Purchase Contract formed: Section 557 (the *contra proferentem* rule), Section 1799 and Section 1800 (clauses in standard-form contracts).

4. These Terms and Conditions come into force on 1. 1. 2022